

Decision No. 87035

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
AIRPORT TRANSPORTATION CO.)
dba AIRPORT LIMOUSINE)
(Monterey), a corporation,)
for authority to increase rates)
between the Monterey Peninsula Airport)
and points on the Monterey Peninsula)
(Total Increase - \$36,250))

Application No. 56960
(Filed December 23, 1976)

O P I N I O N

Airport Transportation Co., doing business as Airport Limousine (Monterey), presently operates as a Passenger Stage Corporation (PSC-898), transporting passengers and their baggage between the Monterey Peninsula Airport, on the one hand, and Carmel, Monterey, New Monterey, Pacific Grove, Presidio of Monterey, Seaside, Fort Ord, Salinas, Del Monte Forest, Del Rey Oaks, Esalen Institute, Highland Inn, Quail Lodge and points intermediate thereto, on the other hand.

By this application, Airport Transportation Co. seeks authority to increase its passenger fares by approximately 25 percent.

The present fares were established by Decision 85300 dated July 6, 1976 in Application 55756.

The applicant alleges that the company has been recently operating at a deficit and the proposed fare increase would offset the estimated loss for the rate year of 1977.

The applicant alleges further that the proposed revenue increase would also have to offset the increase in the following expenses which are based on a percentage of gross revenue:

1. Drivers' compensation on a commission basis, 40%
2. Franchise and license fee to airport (10% on first \$10,000 of monthly gross revenue and 15% above that), 15%
3. Ad Valorem Tax (possessory interest) on airport lease, 1%

The staff of the Transportation Division has made an analysis of the applicant's operations and submitted a report on the rate year ending December 31, 1977 under present and proposed fares.

The report is hereby received as Exhibit 1. The exhibit indicates the following results:

ESTIMATED RESULTS OF COMMON CARRIER OPERATIONS
FOR RATE YEAR ENDING DECEMBER 31, 1977

Item or Account		Rate Year 1977	
Number	Description	Present Fares	Requested Fares
(1)	(2)	(3)	(4)
	Passengers	61,700	57,840
	Bus Miles	443,470	443,470
	<u>Revenue</u>		
320	Passenger	\$145,000	\$170,270
	<u>Expenses</u>		
410	Maintenanco	\$ 19,890	\$ 19,890
420	Transportation	81,500	91,600
440	Traffic	1,880	1,880
450	Insurance	14,270	14,270
460	Administration	20,090	20,450
500	Depreciation	4,250	4,250
520	Operating Tax	11,350	12,400
530	Rent	15,010	18,800
	Total Expenses	\$168,240	\$183,540
	Operating Income	\$-23,240	\$-13,270
800	Income Tax	-	-
	Net Income	\$-23,240	\$-13,270
	Operating Ratio	116.0%	107.8%

In accordance with Section 730.3 of the Public Utilities Code, affected state and local public agencies and corporations operating passenger transit systems were notified of the application and were requested to furnish an analysis of the effect of the proposed rate increase on overall transportation problems within the territories served by such passenger transit systems. No comments from the notified parties have been received.

In accordance with Section 730.5 of the Public Utilities Code, we find that the fare increase granted by this decision will result in a decrease in patronage, of approximately six percent.

The fare increase will have no effect upon the public transit systems as proposed in required transportation plans prepared pursuant to Chapter 2.5 of Title 7 of the Government Code.

Notice of filing of this application appeared in the Commission's Daily Calendar on December 27, 1976. No protests have been received.

After consideration, the Commission finds that:

1. The requested fare increase would result in additional annual revenue in the amount of \$25,270.
2. Even with the requested increase the common carrier operation would be conducted at a loss.
3. The proposed fare increase is justified.
4. A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Airport Transportation Co., doing business as Airport Limousine (Monterey) is authorized to establish the increased fares proposed in Application 56960. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within 90 days after the effective date of this order.
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

Since the carrier is presently operating at a substantial loss, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st day of MARCH, 1977.

Robert Bateman
President
William Lyons Jr.
Thomas L. Stinson
Tom
Robert D. Givale
Commissioners